

TAFT, STETTINIUS & HOLLISTER

1800 STAR BANK CENTER

425 WALNUT STREET

CINCINNATI, OHIO 45202-3957

WASHINGTON, D.C. OFFICE
SUITE 500 — 825 INDIANA AVENUE, N.W.
WASHINGTON, D.C. 20004-2901
202-628-2838
FAX: 202-347-3419

513-381-2838
CABLE: TAPTHOL TWX: 810-461-2623
FAX: 513-381-0205

COLUMBUS, OHIO OFFICE
21 EAST STATE STREET
COLUMBUS, OHIO 43215-4221
614-221-2838
FAX: 614-221-2007

NORTHERN KENTUCKY OFFICE
THOMAS MORE CENTRE
2670 CHANCELLOR DRIVE
CRESTVIEW HILLS, KENTUCKY 41017-3491
606-331-2838
513-381-2838
FAX: 513-381-6613

February 23, 1994

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423
Attn: Mildred Lee
Room 2303

RECORDATION NO. **18723** FILED 1425
FEB 28 1994-2 30 PM
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

I have enclosed herewith an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Railroad Equipment Lease, a primary document, dated February 17, 1994.

The names and addresses of the parties to the document are as follows:

LESSOR: The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202

LESSEE: Iowa Interstate Railroad
800 Webster Street
Iowa City, Iowa 52240-4806

The equipment covered by the enclosed document is twenty (20) 1979 Ortner built, Rapid Discharge Aggregate cars, currently bearing the reporting marks set forth in Exhibit A attached hereto.

A fee of \$18.00 is enclosed. Please return the original executed copy of the enclosed document to:

Philip F. Schultz, Esq.
Taft, Stettinius & Hollister
1800 Star Bank Center
425 Walnut Street
Cincinnati, Ohio 45202-3957

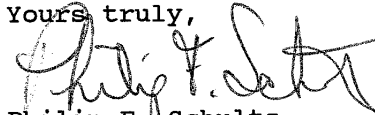
Ms. Mildred Lee
February 23, 1994
Page 2

Short summary of the document to appear in the index follows:

Railroad Equipment Lease between Iowa Interstate Railroad, 800 Webster Street, Iowa City, Iowa 52240-4806, as Lessee, and The David J. Joseph Company, 300 Pike Street, Cincinnati, Ohio 45202, as Lessor, dated February 17, 1994 and covering twenty (20) 1979 Ortner built, Rapid Discharge Aggregate cars.

Please call me if you should have any questions.

Yours truly,



Philip F. Schultz
Attorney for
The David J. Joseph Company

PFS/taj
encl.

EXHIBIT A

DESCRIPTION OF UNITS

Twenty (20) 1979 Ortner Built Rapid Discharge Aggregate Cars
bearing reporting marks:

IAIS 8500	IAIS 8510
IAIS 8501	IAIS 8511
IAIS 8502	IAIS 8512
IAIS 8503	IAIS 8513
IAIS 8504	IAIS 8514
IAIS 8505	IAIS 8515
IAIS 8506	IAIS 8516
IAIS 8507	IAIS 8517
IAIS 8508	IAIS 8518
IAIS 8509	IAIS 8519

RECORDATION NO. 18723 FILED 1425
FEB 28 1994-2 30 PM
INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT LEASE

(NET)

BY AND BETWEEN

THE DAVID J. JOSEPH COMPANY

AND

IOWA INTERSTATE RAILROAD

DATED AS OF:

FEBRUARY 17, 1994

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RAILROAD EQUIPMENT LEASE

THIS RAILROAD EQUIPMENT LEASE (the "Lease"), is entered into as of this 17th day of February, 1994, by and between THE DAVID J. JOSEPH COMPANY, a Delaware corporation (hereinafter referred to as "Lessor") and IOWA INTERSTATE RAILROAD, a Delaware corporation (hereinafter referred to as "Lessee").

WHEREAS, Lessee desires to lease from Lessor and Lessor desires to lease to Lessee all of the items of equipment specified in Exhibit A attached hereto (hereinafter collectively referred to as the "Units" and singularly referred to as "Unit") on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements set forth herein, the parties hereby agree as follows:

1. LEASE OF UNITS

Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the Units, to have and to hold the same unto Lessee for the period (the "Term") commencing on the date upon which Lessee accepts or uses the Units, or any Unit, as provided in Section 3 below (the "Commencement Date"), and ending for all Units on the day of the () full calendar month following the acceptance of the last Unit under this Lease (the "Expiration Date") or the date upon which all of the Lessee's obligations hereunder have been met (the "Termination Date").

2. BASE RENTAL

Lessee agrees to pay to Lessor the amount of rent specified in Exhibit B attached hereto (the "Base Rental") in advance on the first day of each calendar month during the Term, without demand or setoff. The Lessee shall also pay, as additional rent, all such other sums of money as shall become due and payable by Lessee to Lessor under this Lease (the Base Rental and any additional rent due hereunder are sometimes hereinafter referred to as "Gross Rental"). If the Commencement Date is not the first day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Commencement Date occurs, such installment or installments so prorated shall be paid in advance on or before the Commencement Date. All past due installments of Gross Rental shall bear interest from date due until paid at two percent (2%) per annum over the prime interest rate for domestic commercial loans as published from time to time in The Wall Street Journal. This Lease is a "Net Lease" and Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to or by reason of, any past, present or future claims of Lessee

against Lessor under this Lease or otherwise. It is the intention of the parties hereto that Gross Rental and all other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

3. DELIVERY AND ACCEPTANCE OF UNITS

Lessor will cause each Unit to be tendered to the Lessee at such point or points as are set forth on Exhibit C attached hereto. Within [REDACTED] of such tender, Lessee will cause its authorized inspectors or representatives to inspect the Units, and if such Units are found to be in good operating order and repair, to accept delivery of such Units (or so many of such Units as are acceptable to Lessee) and to execute and deliver to the Lessor a certificate in the form of Exhibit D hereto signed by a responsible officer of the Lessee acknowledging the delivery of the accepted Units by Lessor, the conformance of such Units to the requirements of the Interchange Rules of the Association of American Railroads and the acceptance of the Units by Lessee; whereupon such Units shall be deemed to have been delivered to and accepted by the Lessee under this Lease and shall be subject thereafter to all of the terms and conditions of this Lease and such Lessee's certificate shall be absolutely binding upon Lessee. If any Unit is not deemed by Lessee to be in good operating order and repair, Lessee shall so notify Lessor in a writing that specifies the nature of the defect in the Unit, and Lessor, at its option, may either (i) repair such Unit, and immediately upon completion of such repairs the Unit shall be subject to all of the terms and provisions of this Lease; (ii) substitute a piece of equipment that is substantially similar to the acceptable Units delivered hereunder, in which case such substituted equipment shall be a "Unit" and immediately upon Lessee's satisfactory inspection and acceptance of same, such Unit shall be subject to all of the terms and provisions of this Lease; or (iii) delete the defective Unit, in which case the Unit so deleted shall not be subject to the terms and provisions of this Lease. If Lessee has not notified Lessor of any defect in any Unit within ten (10) calendar days of the date such Unit was tendered by Lessor, or if Lessee uses any Unit prior to delivering a Lessee's certificate of acceptance with respect thereto, on the earlier of the date such Unit is used by Lessee or [REDACTED] after such tender, such Unit or Units shall be conclusively deemed to be accepted by Lessee and to conform in all respects with the standards of condition and repair set forth in this Lease.

4. MAINTENANCE AND REPAIRS

Lessee, at its sole expense, shall (i) keep and maintain the Units leased hereunder in good working order, condition and repair, and free from any and all liens and claims; (ii) install parts on, and make all necessary repairs and replacements to the

Units using only new manufacturer made, reconditioned, or secondhand parts which comply with the requirements of the Interchange Rules of the AAR and that conform to the construction of the Units; and (iii) provide all labor, materials, lubricants, parts and other supplies or items consumed by or required, in connection with the use of the Units. In addition to repairs and maintenance otherwise required pursuant to this Section 4, Lessee shall, at its sole expense, repair, replace, clean, oil, test, stencil and otherwise maintain the Units as required by, and in conformance with, the Interchange Rules of the Association of American Railroads, the FRA Railroad Freight Car Safety Standards, and the Safety Appliance and Power Brake Laws, as the same may be amended from time to time.

Except as otherwise provided herein, Lessee shall not make alterations or modifications in any Unit without the prior written consent of Lessor thereto. Any and all additions to any Unit, and any and all parts installed on or replacements made to any Unit shall be considered accessions to such Unit and, without cost or expense to the Lessor, there shall immediately be vested in the Lessor the same interest in such accessions as the interest of the Lessor in such Unit.

5. DISCLAIMER OF WARRANTIES

LESSOR, NOT BEING THE MANUFACTURER OF THE UNITS, NOR THE MANUFACTURER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE UNITS; THE QUALITY OR CAPACITY OF THE UNITS; THE WORKMANSHIP IN THE UNITS; THAT THE UNITS WILL SATISFY THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTEE OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. LESSOR IS NOT RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGE TO OR LOSSES RESULTING FROM THE INSTALLATION, OPERATION OR USE OF THE UNITS OR ANY UNIT. Lessor hereby acknowledges that any manufacturers and/or sellers warranties are for the benefit of both Lessor and Lessee. Lessee's acceptance of delivery of the Units, as provided in Section 3 hereto, shall be conclusive evidence as between Lessor and Lessee that each such accepted Unit is in all of the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against Lessor based on all or any one or more of the foregoing matters.

6. USE OF THE UNITS

Lessee agrees, for the benefit of Lessor, to comply in all respects with all laws or rules of the jurisdictions in which operations involving any Unit subject to this Lease may extend.

Lessee shall and does hereby indemnify and hold harmless Lessor from and against any and all liability that may arise from any infringement or violation of any such laws or rules by Lessee, its agents, employees, or any other person. In the event that such laws or rules require any alteration, change, modification or enhancement of any nature whatsoever to the Units or any Unit, Lessee agrees to make such alterations, changes, modifications and enhancements at its own expense and to use, maintain and operate such Units in full compliance with such laws and rules so long as such Units are subject to this Lease, provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the sole opinion of Lessor, adversely affect the rights of Lessor in the Units and hereunder. Lessee agrees not to use the Units outside the United States of America for more than [REDACTED] in any consecutive [REDACTED] ([REDACTED] period. Lessee agrees to use the Units in a careful and prudent manner, solely in the use, service and manner for which the Units were designed. Lessee shall not use the Units, or any Unit, for the loading, storage or hauling of any corrosive, hazardous, toxic or radioactive substance or material.

Lessee shall be permitted to place the Units in interchange service, provided, however, that Lessee shall not suffer or permit the use of the Units in a manner or for a purpose that is prohibited by or inconsistent with the terms and provisions of this Lease, and Lessee shall in all events continue to be fully liable and responsible in accordance with the terms and provisions of this Lease for the possession, use, condition and operation of such Units, notwithstanding that such Units are being used in interchange by any third party.

7. FILINGS

Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of, and furnish a copy to, Lessor) any and all reports required to be filed by Lessor. Lessor shall be responsible for filing this Lease with the Interstate Commerce Commission pursuant to 49 U.S.C. Sec. 11303.

Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Exhibit A hereto and all other markings and stenciling required by the Interchange Rules and the Codes of Car Hire and Car Service Rules of the Association of American Railroads, as the same may be amended from time to time. Lessee shall promptly replace any such words or numbers which may be removed, defaced or destroyed. Lessee will not change, or permit to be changed, the numbers on any Unit, except in accordance with a statement of new numbers to be submitted therefor which previously shall have been filed with Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

Each Unit may be lettered in an appropriate manner for convenience of identification of the interests of Lessee therein, provided, however, Lessee has received prior written consent from Lessor and Lessee shall be responsible for the cost of removing such identification. Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on any of the Units as a designation which might be interpreted as a claim of ownership thereof.

8. TAXES AND OTHER ASSESSMENTS

Lessee shall be responsible for, and shall indemnify and hold Lessor harmless from, all taxes (including, without limitation, federal, state, or local property, sales, use or other taxes, duties, impositions, assessments or charges excluding only any federal income taxes of Lessor or any state or local taxes imposed upon or measured by net income of Lessor), currently or hereafter levied or imposed by any state, local, federal or foreign authority (all such expenses, taxes, assessments, charges, being hereinafter called "Assessments") upon or in connection with or measured by this Lease or imposed upon the Units or for the possession, rental, shipment, delivery, use or operation thereof or on the earnings arising therefrom (except as provided above) all of which Assessments Lessee assumes and agrees to pay on demand as additional rent hereunder. Lessee will keep at all times all and every part of the Units free and clear of all Assessments which might in any way affect the title of Lessor to any Unit or result in a lien upon any Unit.

9. INDEMNIFICATION

Except as otherwise provided in this Lease, Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the possession, use, condition (including but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing or return of the Units or any Unit, regardless of where, how and by whom operated, and regardless of any failure on the part of Lessor to perform or comply with any conditions of this Lease. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any of the Units so as to incur or impose any liability or obligation for or on behalf of Lessor.

Lessor shall not be liable for any loss of or damage to any commodities loaded or shipped in the Units. Lessee agrees to assume responsibility for, to indemnify against, and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any Unit by such commodities.

10. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS

If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Units, and Lessor has given Lessee [REDACTED] prior written notice of such nonperformance, then Lessor shall have the option, but not the obligation, to perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Units and Lessor's title thereto, and all sums so paid or incurred by Lessor shall be additional rent under this Lease payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee, and Lessee shall continue to be liable for any such performance or payment by Lessor notwithstanding the expiration or earlier termination of this Lease.

11. INSURANCE

During the term of this Agreement, Lessee, for amounts as described in Exhibit E hereto, shall insure or self-insure the Units for physical damage and against liability imposed by law for injury to, or death of, persons or damage to or destruction of property arising out of the use and operation of the Units to the same extent, in the same manner and according to the same policies and practices as is the Lessee's practice in respect to the Lessee's own equipment. If Lessee elects to self-insure for the risks required to be insured or self-insured within this Section, Lessee shall provide Lessor with a letter certifying such self insurance. If Lessee elects to purchase insurance coverage for the risks required to be insured or self-insured within this Section, Lessee shall provide Lessor with evidence of such insurance.

12. RISK OF LOSS

Lessee assumes all risk of loss, damage, theft, condemnation or destruction of the Units, whether direct, indirect, incidental or consequential, including, but not limited to, damages caused by or arising from cornering, sideswiping, derailment, improper or abusive loading or unloading methods, negligent or unfair usage, or similar occurrences while under this Lease. Except as provided in this Section 12, no such loss, damage, theft, condemnation or destruction of the Units, or any Unit, in whole or in part, shall impair the obligations of Lessee under this Lease, all of which shall continue in full force and effect. Whenever any

Unit shall be or become worn out, lost, stolen, destroyed or damaged, from ordinary use, neglect, abuse, fire, the elements or any other cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences") during the Term of this Lease, Lessee shall, promptly after it shall have been determined that such Unit has suffered a Casualty Occurrence, but in any event within thirty (30) calendar days after such Casualty Occurrence, notify Lessor in writing of such Casualty Occurrence. In the event any of the Units suffer a Casualty Occurrence, Lessee at its sole cost and expense shall pay Lessor an amount equal to the accrued Gross Rental for such Units to the date of payment plus a sum equal to the Casualty Settlement Value of such Units, as specified on Exhibit F attached hereto, in which case such Units shall thereafter be deleted from this Lease.

13. ANNUAL REPORTS

On or before [REDACTED] of each year during the Term of this Lease, Lessee will furnish to Lessor, in such number of counterparts or copies as may reasonably be requested by Lessor, a Lessee's certificate, as of the preceding [REDACTED] (i) showing the quantity, description and reporting marks of Units then leased hereunder and the quantity, description and reporting marks of all Units that may have suffered a Casualty Occurrence during the preceding [REDACTED] (or since the Commencement Date in the case of the first such Lessee's certificate), and such other information regarding the condition and state of repair of the Units as Lessor may reasonably request, (ii) stating that, in the case of all Units repaired or repainted during the period covered thereby, the markings required by Section 7 hereof have been preserved or replaced, (iii) reporting total miles travelled by all Units during the preceding calendar year summarized by state, and (iv) containing all other information in the possession of Lessee that is required to be filed by Lessor. Lessor shall have the right, but not the obligation, by its authorized representatives, to inspect the Units and the records of Lessee with respect thereto at such times as shall reasonably be necessary to confirm to Lessor the existence and proper maintenance of the Units during the continuance of this Lease.

During the Term of this Lease, Lessee shall provide to Lessor a copy of Lessee's audited financial statements for Lessee's fiscal year end, within [REDACTED] after such fiscal year end; and Lessee shall provide [REDACTED] financial statements upon written request by Lessor.

14. LESSEE DEFAULT

Lessee shall be in default under this Lease upon the happening of any of the following events or conditions (hereinafter referred to as "Events of Default"):

(a) If Lessee fails to pay any sum required to be paid hereunder on or before the due date and such failure continues for a period of [REDACTED];

(b) If Lessee fails at any time to procure or maintain any insurance coverage required by this Lease;

(c) If Lessee fails to observe or perform any of the covenants, conditions and agreements on the part of Lessee to be observed or performed and contained herein (other than the payment of any sums required to be paid hereunder and other than the obligation to procure and maintain any insurance coverage required by this Lease) or any schedule or any supplement or rider hereto, and such default shall continue for [REDACTED] after receipt by Lessee of written notice of such default;

(d) The appointment of a receiver, trustee or liquidator of Lessee or of a substantial part of its property, or the filing by Lessee of a voluntary petition in bankruptcy or other similar insolvency laws or for reorganization; or

(e) If a petition against Lessee in a proceeding under bankruptcy laws or other similar insolvency laws shall be filed and shall not be withdrawn or dismissed within [REDACTED] thereafter.

15. LESSOR'S REMEDIES

Upon the occurrence of any one or more of the Events of Default specified in Section 14 above, and at any time thereafter (unless such Event of Default shall have been waived in writing by Lessor), Lessor may without any further notice exercise any one or more of the following remedies:

(i) Declare all unpaid Gross Rental under this Lease to be immediately due and payable;

(ii) Terminate this Lease as to any or all Units without relieving Lessee of any of its obligations hereunder;

(iii) Take possession of the Units and for this purpose enter upon any premises of Lessee and remove the Units, without any liability or suit, action or other proceeding by Lessee and without relieving Lessee of any of its obligations hereunder;

(iv) Cause Lessee, at its sole expense, to promptly return the Units to Lessor in accordance with the terms and provisions of Section 16 hereof;

(v) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(vi) Exercise any other right available to Lessor at law or in equity. No right or remedy conferred on or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing; nor shall any single or partial exercise by the Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

16. RETURN OF UNITS

At the expiration of this Lease, or at the direction of Lessor pursuant to Section 15 of this Lease, Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit returned to the Lessor pursuant to this Section 16 shall (i) be empty, free from residue, suitable for loading, and be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, the Interstate Commerce Commission, the Department of Transportation, and any other legislative, administrative, judicial, regulatory or governmental body having jurisdiction in the matter, (iii) be free from any damage due to the abuse of the Unit, including but not limited to, doors, door frames, door hardware and appurtenances, bulged or bowed ends, cracked or separated corner caps, bent, bulged or bowed sides or top cords, or any damage caused by improper or abusive loading or unloading methods, and (iv) be jointly inspected by representatives of Lessor and Lessee. If any Unit is not delivered to Lessor on or before the Expiration Date, or is so delivered, but not in compliance with Section 4 hereto and this Section 16, each such Unit shall remain on rental and obligations of Lessee under this Lease with respect to each such Unit shall remain in full force and effect, provided, however, that in the further event that any Unit is not delivered to Lessor or is delivered to Lessor, but not in compliance with Section 4 hereto and this Section 16 within [REDACTED] after the Expiration Date, the Base Rental for each such Unit shall, upon the expiration of such [REDACTED] period, be set at [REDACTED] and [REDACTED] the Base Rental. Nothing in this Section 16 shall be construed as Lessor's authorization of the Lessee's use of the Units, or any Unit, after the Expiration Date.

For the purpose of delivering possession of the Units to the Lessor as above required, Lessee shall, at its own cost, expense and risk: (a) place the Units upon such storage tracks of Lessee as Lessor may reasonably designate for marshalling and joint inspection; (b) permit Lessor to store such Units on such tracks free of charge to Lessor for [REDACTED] after the Termination Date and at the risk of Lessee until such Units have been sold, leased or otherwise disposed of by Lessor, provided, however, that Lessor shall be entitled to continued storage of the Units on such tracks beyond the free [REDACTED] [REDACTED], at the risk of Lessor, at a storage rate not to exceed [REDACTED] per [REDACTED] per [REDACTED]; (c) transport the Units to any destination within a [REDACTED] of any interchange on the lines of Lessee's railroad as directed by Lessor; and (d) at Lessor's option, either prior to or after such movement(s) of the Units, with Lessor arranging for the restencilling of the Units, reimburse Lessor for the costs of such restencilling and application of new AEI tags. Lessee's obligations in this Section 16 shall survive the Termination Date of this Lease. The assembly, delivery, storage and transporting of the Units as hereinbefore provided shall be at the cost, expense and risk of Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the matter, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Units. During any storage period, Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of the Units or any Unit, to inspect the same.

Without in any way limiting the obligation of Lessee under the provisions of this Section 16, Lessee hereby irrevocably appoints Lessor as the agent and attorney of Lessee, with full power and authority, at any time, while the Lessee is obligated to deliver possession of any of the Units to Lessor, to demand and take possession of such Units in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such Units. In connection therewith Lessee will supply Lessor with such documents as Lessor may reasonably request.

17. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be in writing and shall be deemed given when sent by United States Certified or Registered Mail, Return Receipt Requested, postage prepaid, addressed as follows:

TO LESSOR: The David J. Joseph Company
 300 Pike Street
 Cincinnati, Ohio 45202
 Attention: Vice President
 RELM Division

TO LESSEE: Iowa Interstate Railroad
800 Webster Street
Iowa City, Iowa 52240-4806
Attention: Director, Quality and Fleet
Management

or at such other place as the parties hereto may from time to time designate by notice, each to the other. If the term "Lessee" as used in this Lease refers to more than one person or entity, any notice, consent, approval, request, bill demand or statement given as aforesaid to any one of such persons or entities shall be deemed to have been duly given to Lessee.

18. INVALID PROVISIONS

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

19. MISCELLANEOUS PROVISIONS

(a) This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of Lessor and Lessee.

(b) This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

(c) The terms of this Lease and all rights and obligations hereunder shall be governed by the substantive internal laws of the State of Ohio. The invalidity or unenforceability of any particular provision of this Lease shall not affect the remaining provision hereof.

(d) No recourse shall be had in any respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer (past, present or future) of the Lessor.

(e) Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest herein, or sublet any of the Units, without Lessor's prior written consent. This Lease is freely assignable by

Lessor, in whole or in part, and upon delivery to Lessee of notice of any assignment, the term "Lessor" as used herein shall refer to such assignee, and The David J. Joseph Company shall thereafter be relieved of all of its liabilities and obligations under this Lease.

(f) Nothing contained herein shall give or convey to Lessee any right, title or interest in and to the Units leased hereunder except as a lessee thereof, and the Units are and shall at all times be and remain the sole and exclusive property of Lessor.

(g) Any cancellation or termination of this Lease by Lessor, pursuant to the terms and provisions hereof, or any schedule, supplement, rider or amendment hereto, or any termination of the Term by lapse of time, shall not release Lessee from any then outstanding obligations and/or duties hereunder.

(h) Time is of the essence of this Lease.

(i) Notwithstanding anything contained in this Lease to the contrary, Lessor shall not be liable for its failure to perform any obligations of Lessor herein contained by reason of labor disturbances (including strikes and lockouts), war, riots or civil commotion, acts of God, fires, floods, explosions, storms, accidents, governmental regulations or interference, or any cause whatsoever beyond Lessor's reasonable control.

(j) To the extent there exists any conflict between the terms and provisions of this Lease and the terms and provisions of the Interchange Rules or the Codes of Car Hire and Car Service Rules of the Association of American Railroads, this Lease shall control.

(k) Lessee may not deprescribe the car hire rates on the Units, or any Unit, subject to this Lease without the prior written consent of the Lessor.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

LESSOR:

Signed and acknowledged
in the presence of:

Linda M. Baughman
(As to Lessor)

Steven E. Ward
(As to Lessor)

THE DAVID J. JOSEPH COMPANY

BY: James H. Goetz

NAME: JAMES H. GOETZ

TITLE: DIVISION VICE PRESIDENT

LESSEE:

Signed and acknowledged
in the presence of:

John J. M. Finley
(As to Lessee)

Carlene J. Munay
(As to Lessee)

IOWA INTERSTATE RAILROAD

BY: Robert C. Finley

NAME: ROBERT C. FINLEY

TITLE: Executive Vice-President

STATE OF OHIO)
COUNTY OF HAMILTON)

SS:

The foregoing instrument was acknowledged before me this
17th day of February, 1994, by
James H. Goetz, the Div. Vice President of The David
J. Joseph Company, a Delaware corporation, on behalf of the
corporation.

Carolyn A. Trainor
Notary Public
CAROLYN A. TRAINOR
Notary Public, State of Ohio
My Commission Expires March 14, 1998

STATE OF Iowa)
COUNTY OF Johnson) SS:

The foregoing instrument was acknowledged before me this
16th day of February, 1994, by
Iowa Interstate Railroad, the Executive Vice President of
Iowa Interstate Railroad a Delaware corporation, on
behalf of the corporation.

Amy Gregory-Haley
Notary Public

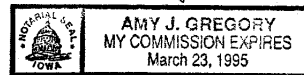


EXHIBIT A

DESCRIPTION OF UNITS

Twenty (20) 1979 Ortner Built Rapid Discharge Aggregate Cars
bearing reporting marks:

IAIS 8500	IAIS 8510
IAIS 8501	IAIS 8511
IAIS 8502	IAIS 8512
IAIS 8503	IAIS 8513
IAIS 8504	IAIS 8514
IAIS 8505	IAIS 8515
IAIS 8506	IAIS 8516
IAIS 8507	IAIS 8517
IAIS 8508	IAIS 8518
IAIS 8509	IAIS 8519

EXHIBIT B

BASE RENTAL

██████████ per ██████████ per ██████████ payable in advance monthly.

EXHIBIT C

POINTS OF TENDER

Iowa Interstate Railroad tracks, Blue Island, Illinois.

EXHIBIT D

ACCEPTANCE CERTIFICATE

The undersigned, _____, the duly authorized representative of _____ (the "Company"), hereby certifies to The David J. Joseph Company ("DJJ") that the _____ railcar(s) bearing reporting mark(s) _____ (the "Unit(s)") has/have been delivered to the Company, has/have been inspected and meet(s) all regulatory requirement(s), and is in all respects acceptable to the Company. This certificate is being delivered pursuant to Section 3 of that certain Railroad Equipment Lease dated _____ by and between the Company and DJJ.

IN WITNESS WHEREOF, the undersigned, being the _____ of the Company, does hereunto set his hand as of this _____ day of _____, 1994, on behalf of the Company.

By: _____

Print Name: _____

Print Title: _____

EXHIBIT E

INSURANCE

- Property Insurance - a minimum of [REDACTED] per [REDACTED] covered under this Lease.
- Liability Insurance - a minimum of [REDACTED]


EXHIBIT F

CASUALTY SETTLEMENT VALUE

The Casualty Settlement Value for the equipment covered under this Lease shall be the Depreciated Value of the Unit calculated in accordance with the Association of American Railroads Interchange Rule 107.

CERTIFICATE

The undersigned, Stephen M. Griffith, Jr., a notary public in and for the County of Hamilton, State of Ohio, hereby certifies that the copy of the document attached hereto has been compared with the original and that the undersigned has found the copy to be complete and identical in all respects to the original document.



Notary Public

STEPHEN M. GRIFFITH, JR., Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration
date, Section 247.03 O.R.C.

RECORDATION NO. 18723 FILED 1425
FEB 28 1994 - 2:30 PM
INTERSTATE COMMERCE COMMISSION